

## **ATTACHMENT Y**

***New Mines in Iron and Ashland Counties? The Park Falls Herald  
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## New mines in Iron and Ashland counties?

Appearance by two mining company executives before Iron County Comprehensive Planning Committee provides example of role of 'smart growth'

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**HURLEY** -- If declining iron ore resources in the nation ever results in efforts to mine a large vein of ore in Iron and Ashland counties, it won't come as a surprise to residents of the two counties.

That was apparent at a meeting of the Iron County Comprehensive Planning Committee at the Iron County Courthouse in Hurley Thursday, Sept. 11, where two executives of an iron mining company sought to include a "conceptualized development area" for possible future mining of the ore in the Iron County comprehensive plan.

John P. Congdon, president of the LaPointe Iron Company, and David G. Meineke, vice president of the company, told the committee that they didn't have a specific proposal and didn't even now whether they could ever get a sufficiently large mining company interested in their company's mineral rights to make mining of the ore worthwhile.

They said the purpose of their visit was to seek inclusion of a narrow body of ore in the comprehensive plan for future consideration of a mining project if they should happen to find a large mining operation interested in what they have to offer.

The ore body varies in width, and where Iron County is involved, extends from the western county border near Upson to Hurley. It also extends westward into Ashland County along the Penoque range, and a committee member asked whether the company would be submitting a similar request to Ashland County.

Meineke said contacts have been made with Ashland County and will be pursued further in the future, but the Iron County Comprehensive Planning Committee was contacted for a presentation at this time because it is well along in its comprehensive planning effort. Jane Silberstein, who as resource agent for the Ashland County University of Wisconsin-Extension office is working closely with the Ashland County comprehensive planning project, confirmed that the LaPointe Iron Company executives also contacted Ashland County about having mining the ore deposit included in the Ashland County's comprehensive plan.

Congdon told members of the Iron County committee that he and Meineke had no idea in deciding to make the presentation whether the committee would consider mining in the county's future in view of the recent history of controversy surrounding mining issues in the state. He said that history makes it difficult to even talk about a mining proposal in the state with large companies, but he and Meineke felt a future mining operation in Iron County would be less objectionable to people who tend to oppose mining projects than some proposed in the past.

They said that the ones that encountered most opposition were sulphide extraction processes that the opponents saw as threats to the environment, but the process that would be used to mine the iron ore in Iron County would be much different.

They said for one thing, the materials in the ore are "inert" and there would be no chance of environmental contaminants left behind. Using as an example a fairly recent large mining operation at Black River Falls, they said reclamation was so successful that the former mine is now a clear lake which is a destination for many anglers and a source of tourism income for the community. They described the lake as "quite scenic," with a beach, and appealing to scuba divers among its users.

Committee member Paul Gottwald, who chaired the meeting, asked "what will become of our mountain?" referring to Mt. Whittlesey at the western Iron County border near Upson and Mellen. Congdon said the mountain would remain the same if mining occurs there.

He said the only difference is that "there would be a lake on top." He and Meineke said that there could be a number of such lakes on the range between Upson and Hurley if mining occurs there.

They described new technologies that are making mining of such ore bodies by large concerns potentially profitable, including technology that can produce nuggets by an electric arc furnace process that are as much as 98% iron. They contrasted that percentage to the 65% iron that makes up most taconite pellets in present mining operations.

They said that probably the biggest hope for profitability in mining is the potential for on-site manufacturing of such components as fenders. Congdon explained that one of the greatest costs in making steel products is the number of times the material has to be heated and cooled, from the ore to the finished product. That cost can be greatly reduced by reducing the number of times it has to be heated and cooled, he said. Asked about the possible effect on the economies of Iron and Ashland counties, they said space would be required for a processing facility and to stockpile the product being shipped out. They said the space also would include a buffer area for safety purposes.

They said the major focus would be the vast county forest lands through which the ore deposit extends, noting that there are some areas where mining is prohibited under state law, such as state parks. The closest that the ore deposit extends to Park Falls is a point near the town of Knight.

They said mining would relate to all nine comprehensive planning elements identified in the state code, including among others natural resources, land use and zoning; economic development; infrastructure, transportation and utilities; and development of a work force.

They explained that it also would involve forest management because coordination of mine planning and timber harvest of the forest area to be mined would be necessary.

They said that looking at the mining operations on the Mesabi range and at Marquette, they would estimate that a mining operation in Iron County would last 30 years, or possibly even much longer.

They explained that there would be a continuing need for a work force beyond the mining of iron ore because of stringent reclamation requirements.

They said that should a company be found to develop the mine, it could take five to 10 years before mining begins. Meineke said that because of the scale of the operation that would be needed, it may be necessary to find two large developers.

Meineke and Congdon impressed upon the board repeatedly during their presentation that the company would like the area within the county containing the ore included in the comprehensive plan as a "conceptual development area."

They predicted the mining operation, if one should be developed, would require a workforce of 800 to 1,000 people, each making \$60,000 to



\$70,000 a year including fringe benefits.

Meineke said that typically such an operation would require two to three times that number in backup industries. "That's pretty typical," he said.

Meineke added that "conceivably the developer could make fenders for cars and ship them to Janesville for assembly."

He said the automotive industry is increasingly looking at mining locations becoming assembly points. Congdon added that "one of our fantasies" is making iron into steel and manufacturing hoods and bodies on site.

"If you want to completely share our fantasy, we could be a demonstration project for the world steel industry," he said. Meineke said that "we can't speak for U.S. Steel." He said that traditionally the emphasis has been to integrate steel production, while the emphasis in

Minnesota for a number of years has been going "more toward the finishing end."

They suggested that in view of large-scale competition in the steel industry, if companies here don't take advantage of emerging technology, more and more steel will be imported to the United States from Brazil and Australia.

Congdon and Meineke began their presentation with a short history of iron mining in Ashland and Iron counties, "on the Gogebic range, sometimes called the Penokee range." They said LaPointe Iron Company has owned the mineral rights on the range for 144 years. It is a Wisconsin corporation although the company offices are in Minnesota.

They said the term "taconite" came upon the mining scene in the 1930s due to the kind of iron formation in Michigan and Wisconsin, and identified the bulk of iron deposit as south of Hwy. 77.

They cited as well-known iron mining operations the Montreal mine and the Plummer mine, operating from about the late 1800s. They described that ore as "high-grade hematite" of which there was very little left when the mining companies ceased their operations.

Contrasting that mining with the surface mining that would have to be done to get the ore in the deposit in which they are interested, they said the early mines in the county were deep pit mines. The Montreal mine, which was operated from 1886 to 1962, was 4,335 feet deep and yielded 46,747,000 tons over its lifetime.

They said the building of the mine in Hurley is now used by a Pepsi Cola distributor. That mine operated from 1856 to 1950, and was 3,350 feet deep. There were 11 small mines of the same kind in the area, they said.

By contrast, the ore in the range from Upson to Mellen is an iron oxide mineral called magnetite. They referred to various mining operations showing an interest in the ore the 1900s, including the Penokee Iron Company south of Mellen. They said in contrast to the ore taken from the deep pits, the magnetite can be seen in some outcroppings, such as on the east side of the highway near Mellen.

Some members of the committee were well aware from their own mining experience of the difference between the red hematite ore from the deep pits, which stains everything, and the gray magnetite ore nearer the surface which doesn't present a staining problem.

Congdon and Meineke said that although the ore deposits nearer the surface go down 400 to 500 feet, it would be too costly to take the ore out of any pits deeper than that. They said their best guess was that there was about 2.1 billion tons of ore in the proposed "conceptualized development area."

Meineke said that "most of the time LaPointe has been here, taconite was not an economical product." He said it has been an economical product only in the last 30 to 40 years.

Asked about transportation of the ore, they said that although the tracks were out of the railbed between Mellen and Hurley, the north-south rail line would be satisfactory for hauling the mined product.

They emphasized at several points the possibilities for tourism development through the reclamation process, one by developing the mined-out corridor into a very large, deep lake.

Gottwald said anyone concerned about the effectiveness of reclamation projects should watch for final word about the success of the reclamation at the copper mine at Ladysmith, which he emphasized was an entirely different kind of mining operation. According to Meineke and Congdon, such a mining operation presented greater reclamation challenges than surface iron mining operations.

Gottwald asked Congdon and Meineke to stay in touch with the planning committee as resource persons. He said it would make no sense not to consider including such a conceptualized development area as they described in the comprehensive plan in view of the existence of the ore body. He said the committee should "get all the facts and go from there."

Prior to the two men's presentation, the planning committee did final work on the county public participation plan, a requirement of the comprehensive planning process. Gottwald said the committee would get the public participation plan to the Iron County Board by the Tuesday, Sept. 30, county board meeting for the board's consideration.

The town of Sherman and all towns in Iron County are involved in the county's multi-jurisdictional comprehensive planning project.

